

Exhibit No. 1Date 1-5-07Bill No. Organizational  
Meeting

**Process and Criteria for Consultation on Land Transfers**  
**Issue Summary January 5, 2007**  
**Prepared for the Senate State Administration Committee**

**By**  
**Jan Ward, Land Use Specialist**  
**DNRC Trust Land Management Division**

**Introduction**

§77-2-302, MCA, and §77-2-351, MCA, authorizes the Board of Land Commissioners to dispose of, sell, or exchange certain state lands after consultation with the appropriate legislative committee. Since 1996, review of proposed transfers has appeared on the Council agenda on a number of occasions.

**Process**

Both sections provide that it is the Land Board that consults with the appropriate legislative committee. The Council should be consulted on land transfers on referral from the Land Board. The Council should authorize the chairman to set a consultation on the agenda when the Land Board presents a timely request with documentation meeting the adopted criteria as provided in the "summary" section of this document.

Following the consultation, the Council should adopt a motion to the effect that consultation, required by either §77-2-302, MCA, or §77-2-351, MCA, as appropriate for the subject proposal, has occurred. Should the Council have recommendations or concerns for the Board to consider, they may be added. There is no need to state an opinion since there is no authority to approve or reject a proposal.

**January 5, 2007 Testimony: Proposed property transfer between the Department of Military Affairs and the City of Chinook**

The Montana Department of Military Affairs (DMA) presents a proposal to transfer fee title of a parcel of land and associated improvements from DMA to the City of Chinook under the provisions of §77-2-351 MCA. The City would like to acquire the former armory property to be used for City services.

**Benefit to the State** - The maintenance facility is currently used for storage and DMA has no future use for the property. The State receives no revenue from the property. The use of the building for City services would be a benefit to the community of Chinook, Montana.

### Summary

**Criteria:** §77-2-351, MCA – Transfer of property to a public entity.

1. What lands are involved?

- a. Provide an accurate description of the property involved including legal description and acreage involved.

**In 1948, a 4,125 sq. ft. masonry military garage was constructed on a 0.488-acre parcel located at 511 9th Street East in Chinook, Montana for the Chinook Unit of the National Guard. Said building is currently being used for storage. Subject property is adjacent on two sides to land owned by the City, with residential housing to the north and west.**

**DMA acquired 5.65 acres and built a larger National Guard facility in 1960, which is still being used.**

- b. Location map attached:

**The attached map shows the subject property and the location of the National Guard Armory currently in use.**

2. Are there restrictions on the transfer?

- a. Provide an affidavit documenting whether the land is or is not granted to or held by the State in trust for the support of the common schools, for a state institution, or for another specific purpose.

**The affected DMA property is non-trust state property. (A Land Status Report is attached.)**

- b. Provide an affidavit indicating any known restrictions on the transfer or stating that there are none.

**There are no known restrictions.**

3. Are the terms of the proposed transfer in the best interest of the state?

- a. Document the proposed terms of the transfer and any alternative terms that may have been considered.

**DMA will grant the armory property to the City of Chinook to be used for City services.**

**A sale at a public auction was considered; however, the cost of an appraisal and sale notices would use up most of the profits. The City had expressed a desire to obtain the property and DMA has accepted their proposal, in the interest of time and money.**

- b. If the transfer involves a binding commitment to use the property to provide a community service or a benefit that fulfills a public purpose, provide documentation showing the details of the commitment.

**A transfer to a City government meets the requirement of §77-2-351, MCA, in that it provides for a community service or a benefit that fulfills a public purpose. If the property ceases to be used for this purpose, title will revert back to the State.**

- c. Document that the transferee is a "public entity" as that term is used in §77-2-351, MCA.

**A City government is a public entity as provided in §77-2-351, MCA**

4. Is the manner of the transfer in accordance with public policy?

- a. Document the proposed manner of the transfer including plans for the required 60-day notice period.

**A public notice of the proposal will be published in the local newspaper of general circulation in the area and the public will be given an opportunity for comment.**



mt.gov

Home Maps Parcel Search Download Information Help



Chinook

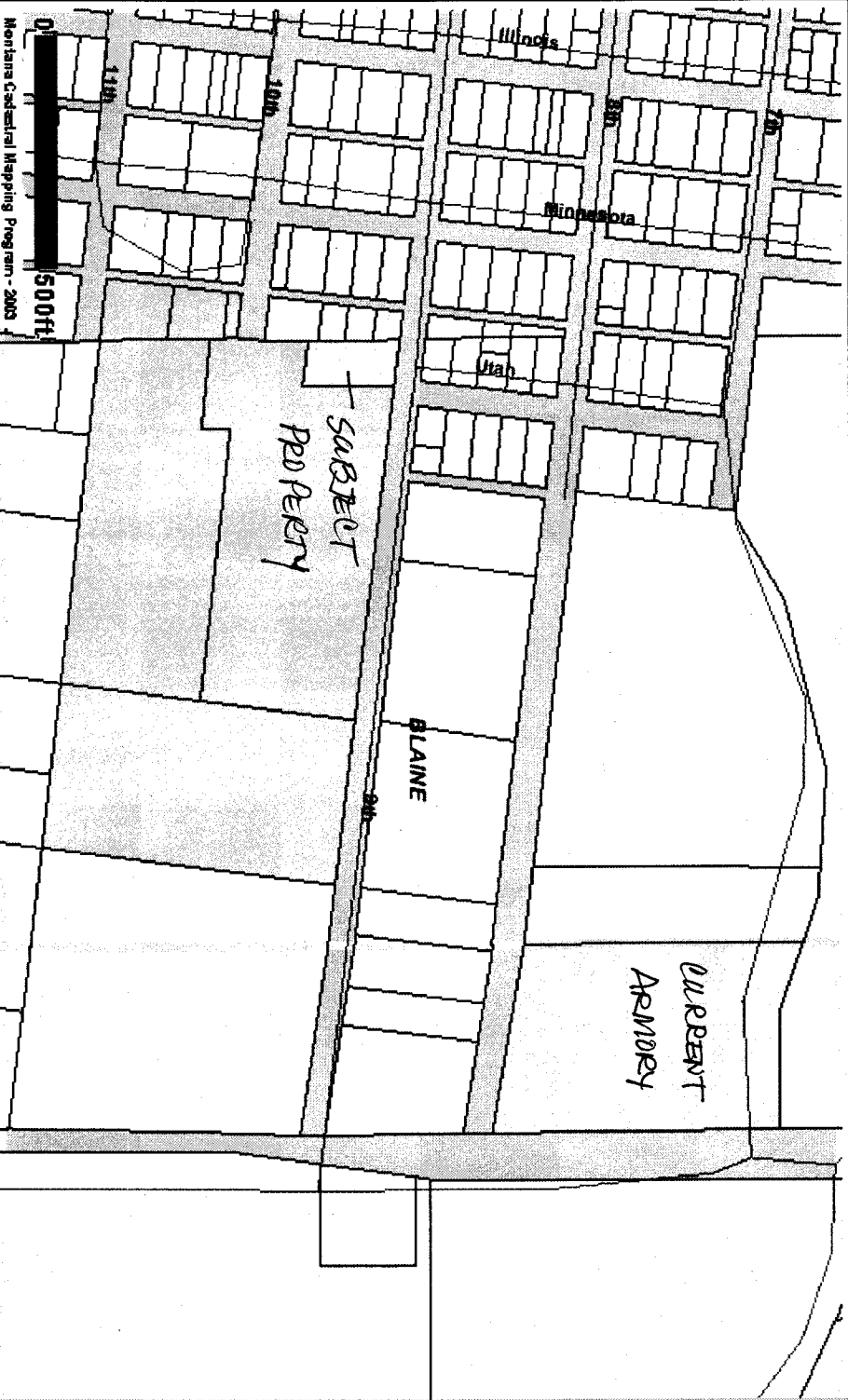
Layers Legend

- ☒ Parcels
- ☐ Emergency Facilities
- ☐ Schools
- ☒ Roads
- ☒ GCDB Township
- ☒ GCDB Section
- ☒ 100K Township
- ☐ Streams
- ☒ City
- ☒ County
- ☒ Ownership
- ☒ Helena.tif

Refresh Map

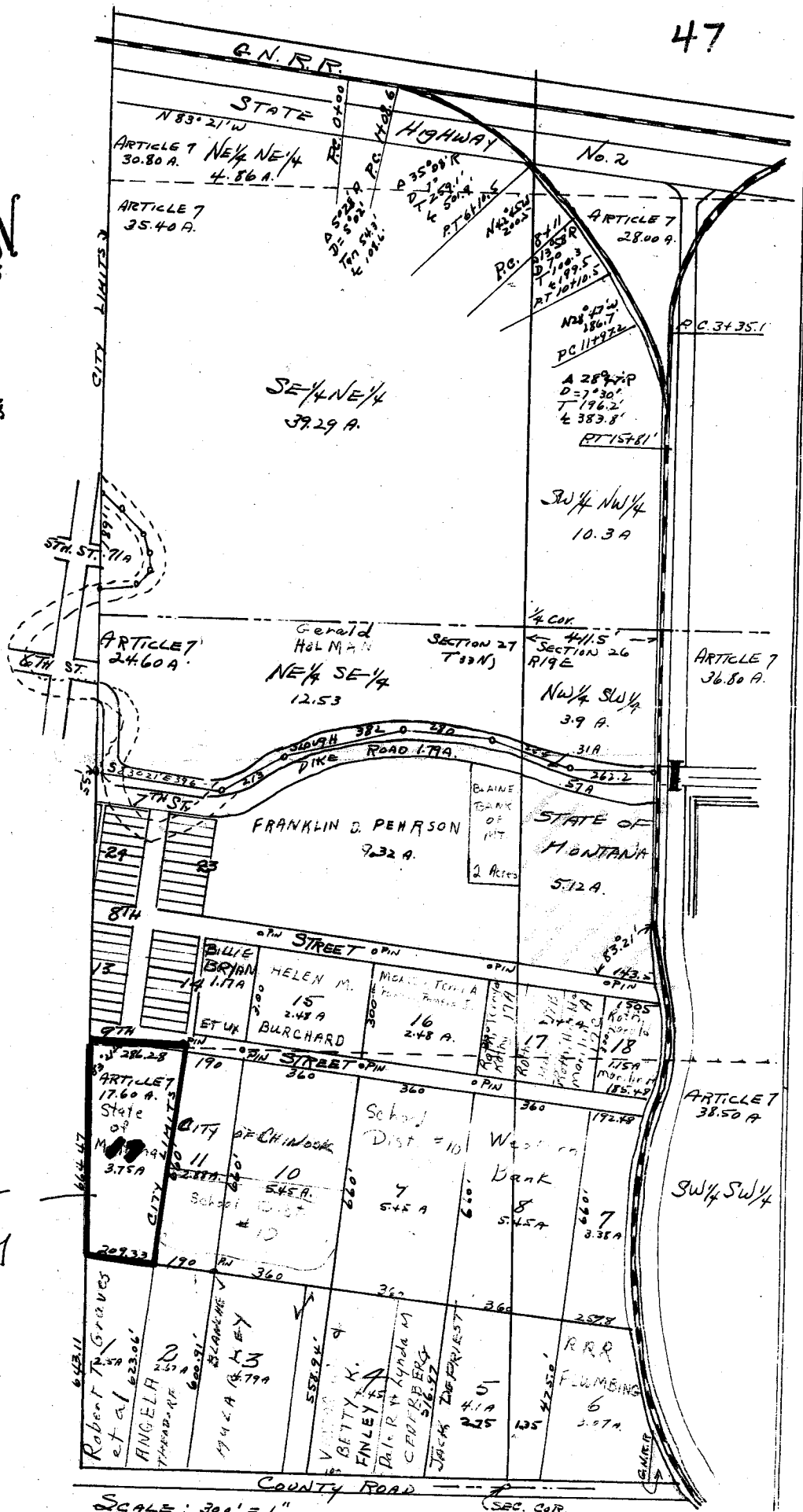
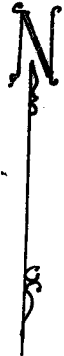
Quick Zoom

Township	Direction	Go
Range	Direction	Go
Zoom To A County		Go
Chinook		Go



Montana Cadastral Mapping Program - 2003

E 19E



SCALE: 300' = 1"

(SEC. COR.)

## OWNERSHIP VERIFICATION

Attached are copies of the deed and any easements in the land records of the Trust Land Management Division of the Montana Department of Natural Resources and Conservation in Helena (DNRC), Montana that may affect title of the state of Montana in and to the following described real property:

**Township 33 N, Range 19 E  
Part Tract 12 in NW of Section 27**

**Warranty Deed: recorded on 05/10/1949 in Book 39 Deeds, Page 361 & identify any exceptions.  
Exceptions (see deed)**

The following minerals and access rights described in Section 77-2-304, MCA, are reserved from sale.

**DNRC Easements Given: None**

The State does not furnish title insurance.

All property sold is subject to existing easements and encumbrances on file with the County Clerk and Recorder and / or the Montana Department of Natural Resources and Conservation.

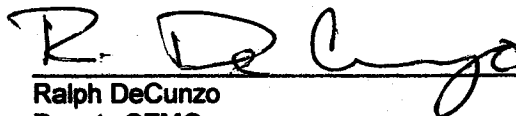
All property is sold subject to all assessments unpaid at time of sale.

All property is sold "AS IS", without any warranty of title. The State does not make and specifically disclaims any warranties, express or implied, including any warranty of merchantability or fitness for a particular purpose, about property offered for sale, including, but not limited to any improvements located thereon, and no employee or agent of the State is authorized to provide any such warranty.

Additionally, without limitation, the State does not warrant the existence or nonexistence of any pollutants, contaminants, or hazardous waste prohibited by law or claims based thereon arising out of the actual or threatened discharge, release, disposal, seepage, migration, or escape of such substances at, from, or into any State land offered for sale.

All property is sold subject to all assessments unpaid at time of sale.

DATED this 28 day of DEC, 2006.



Ralph DeCunzo  
Deputy CFMO  
Department of Military Affairs

DEED

Recorded - 5/10/1999  
BK 39 P. 361

THIS INDENTURE, Made the 9th day of December, 1948,  
between the CITY OF CHINOOK, a municipal corporation organized and  
existing under the laws of the State of Montana, the Party of the  
First Part, and the STATE OF MONTANA, a body politic and corporate,  
the Party of the Second Part, WITNESSETH;

That the said party of the first part, for and in considera-  
tion of the sum of One and no/100 Dollars (\$1.00) and other good and  
valuable consideration by it in hand received, does grant, bargain,  
sell and convey unto the said Party of the second part, and to its  
successors and assigns, the following described real estate situated  
in the City of Chinook, County of Blaine, and State of Montana, to-wit;

All that certain parcel of land located in the Northwest  
corner of Tract No. 12 of Michel's Addition to the City of Chinook  
and more particularly described as follows;

Commencing at the Northwest Corner of said Tract No. 12,  
thence in an Easterly direction along the North boundary line of  
said Tract No. 12 a distance of 100 feet, thence in a southerly  
direction parallel to the West boundary line of said Tract No. 12  
a distance of 195 feet, thence in a Westerly direction parallel to  
the North boundary line of said Tract No. 12 a distance of 100 feet,  
thence in a Northerly direction along the West boundary line of said  
Tract No. 12 a distance of 195 feet to the place of beginning.

Together with all the tenements, hereditaments and appur-  
tenances thereunto belonging;

TO HAVE AND TO HOLD all and singular the said premises with  
the appurtenances unto the said party of the second part, its successors  
and assigns forever. Provided, however, that should the party of the  
second part fail to commence construction of a masonry building upon said  
premises within one year of the date hereof, or should the party of the  
second part for a continuous period of one year fail to occupy and use  
the building so erected as a military garage for the Chinook Unit of  
the National Guard, then the estate hereby conveyed shall revert to and  
revest in the party of the first part, its successors and assigns, and  
it shall be lawful for it or they to reenter upon said premises;



Provided further, that the use of such building for such purposes by a military agency of the United States shall not be a violation of this condition.

IN WITNESS WHEREOF, the party of the first part has caused its name to be subscribed and its official seal to be affixed by its proper officers, thereunto duly authorized, the day and year first hereinabove written.

(SEAL)

CITY OF CHINOOK

ATTEST:

/s/ Ruth H. Riley  
City Clerk

By /s/ Wm. Johnson  
Mayor

STATE OF MONTANA)  
; ss.  
County of Blaine)

On this 9th day of December, 1948, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Wm. Johnson, known to me to be the Mayor of the City of Chinook, and who acknowledged to me that said City had executed the within instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal and day and year first above in this certificate written.

(NOTARIAL SEAL)

/s/ B. D. Thomas  
Notary Public for the State of Montana  
Residing at Chinook, Montana  
My commission expires July 15, 1949